

This page is a reference page used to track documents internally for the Division of Oil, Gas and Mining

Mine Permit Number S/045/0070 Mine Name Vernon Shale
Operator Interpace Holdings Date Sent May 24 2011
TO _____ FROM _____

☐ CONFIDENTIAL ☒ BOND CLOSURE ☐ LARGE MAPS ☐ EXPANDABLE
☐ MULTIPUL DOCUMENT TRACKING SHEET ☐ NEW APPROVED NOI
☐ AMENDMENT ☐ OTHER _____

Description YEAR-Record Number

☐ NOI ☐ Incoming ☒ Outgoing ☐ Internal ☐ Superceded
NOTICE OF FILE CLOSURE AND RELEASE OF RECLAMATION
SURETY 2011-05242011

☐ NOI ☐ Incoming ☐ Outgoing ☒ Internal ☐ Superceded
BOND FILE

CONFIDENTIAL

☐ NOI ☐ Incoming ☐ Outgoing ☒ Internal ☐ Superceded
BOND FILE

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ TEXT/ 81/2 X 11 MAP PAGES ☐ 11 X 17 MAPS ☐ LARGE MAP

COMMENTS: _____

CC: _____

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

---ooOoo---

SMALL MINE RECLAMATION CONTRACT

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between **Interpace Industries, Inc.** the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. **S/045/070** which the Operator has filed with the Division and has been determined by the Division to be complete (Complete NOI) as required by the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended) (hereinafter referred to as "Act") and the regulations adopted pursuant to the Act; and

WHEREAS, Operator is obligated to reclaim the lands affected by the mining operations in accordance with the Act and the regulations, and is obligated to provide a surety in a form and amount approved by the Division or the Board of Oil, Gas and Mining (Board) to assure reclamation of the lands affected by the mining operations.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to promptly reclaim in accordance with the requirements of the Act and applicable regulations, as they may be amended, all of the lands affected by the mining operations conducted or to be conducted pursuant to a Complete Notice of Intention.
2. The Lands Affected by the mining operations and subject to the requirements of the Act and this Contract include:
 - A. All surface and subsurface areas affected or to be affected by the mining operations including but not limited to private on-site ways, roads, railroads; land excavations; drill sites and

workings; refuse banks or spoil piles; evaporation or settling ponds; stockpiles; leaching dumps; placer areas; tailings ponds or dumps; work, parking, storage, and waste discharge areas, structures, and facilities; and

- B. All mining disturbances regardless of discrepancies in the map and legal description, unless explicitly and clearly identified as EXCLUDED on maps, and legal descriptions included in the Complete NOI; provided lands may be excluded only if: (1) they were disturbed by mining operations that ceased prior to July 1, 1977; (2) the lands would be included but have been reclaimed in accordance with a complete notice or reclamation plan; or (3) the lands were disturbed by a prior operation for which there is no surety, no legally responsible entity or person, and which lands are not necessarily or incidentally intended to be affected by the mining operations as described in the Complete NOI.
- 3. The Operator shall be responsible for reclamation of all such Lands Affected regardless of errors or discrepancies in the maps or legal descriptions provided with the NOI which are intended to assist in determining the location of the mining operations, to describe the areas of disturbance, and to assist estimating the amount of surety required.
 - 4. The Operator prior to commencement of any mining operations and as a precondition to the rights under the Notice of Intention shall provide a surety in a form permitted by the Act and in an amount sufficient to assure that reclamation of the Lands Affected will be completed as required by the Act. The Surety shall remain in full force and effect according to its terms unless modified by the Division in writing. A copy of the agreement providing for the Surety for the reclamation obligations herein is included as **ATTACHMENT A** to this Contract.
 - 5. If the Surety expressly provides for cancellation or termination for non-renewal:
 - A. The Operator shall within 60 days following the Division's receipt of notice that the Surety will be terminated or cancelled, provide a replacement Surety sufficient in a form and amount, as required by the Act, to replace the cancelled surety; or
 - B. If the Operator fails to provide an acceptable replacement Surety within 60 days of notice of cancellation or termination, the Division may order the Operator to cease further mining activities, and without further notice proceed to draw upon letters of credit, to withdraw any amounts in certificates of deposit or cash and/or any other forms of surety, and to otherwise take such action as may be necessary to secure the rights of the Division to perfect its claim on the existing surety

for the purpose of fully satisfying all of the reclamation obligations incurred by the Operator prior to the date of termination, and the Division may thereafter require the Operator to begin immediate reclamation of the Lands Affected by the mining operations, and may, if necessary, proceed to take such further actions as may be required for the Division to forfeit the surety for the purpose of reclaiming the Lands Affected.

6. The Operator's liability under this Contract shall continue in full force and effect until the Division finds that the Operator has reclaimed the Lands Affected by mining operations in accordance with the Act and regulations, as amended. If the mining operations are modified or for any other reason vary from those described in the Complete Notice of Intention, the Operator shall immediately advise the Division, and the Notice of Intention shall be revised and the Surety amount shall be adjusted as necessary.
7. If reclamation of a substantial phase or segment of the Lands Affected by the mining operations is completed to the satisfaction of the Division, and the Division finds that such substantial phases or segments are severable from the remainder of the mining area, Operator may request the Division to find that Operator has reclaimed such area. If the Division makes such finding, Operator may make request to the Division for a reduction in the aggregate face amount of the Surety, and the Division may reduce the surety to an amount necessary to complete reclamation of the remaining mining operations as anticipated by the Complete Notice of Intention in accordance with the requirements of the Act and regulations, as amended.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the applicable rules.
9. Operator agrees to pay all legally determined public liability and property damage claims resulting from mining operations, to pay all permit fees, to maintain suitable records, to file all required reports, to permit reasonable inspections, and to fulfill all sundry reporting requirements applicable to the mine as required by the Act and implementing rules.
10. Operator agrees to indemnify and hold harmless the State, Board, and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
11. If Operator shall default in the performance of its obligations hereunder, Operator shall be liable for all damages resulting from the breach hereof including all costs, expenses, and reasonable attorney's fees incurred by the Division and/or the Board in the enforcement of this Contract.

12. Any breach of a material provision of this Contract by Operator may, at the discretion of the Division, in addition to other remedies available to it, result in an order by the Division requiring the Operator to cease mining operations, and may thereafter result in an Order, subject to an opportunity for notice and hearing before the Board, withdrawing and revoking the Notice of Intention, and requiring immediate reclamation by the Operator of the Lands Affected or forfeiture of the Surety.
13. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount that is required to comply with this Contract. Upon completion of the reclamation of all of the Lands Affected, any excess monies resulting from forfeiture of the Surety shall be returned to the rightful claimant.
14. The Operator shall notify the Division immediately of any changes in the Operator's registered agent, the Operator's address, form of business, name of business, significant changes in ownership, and other pertinent changes in the information required as part of the Notice of Intention. Notwithstanding this requirement, any changes to the Notice of Intention, and any errors, omissions, or failures to fully or accurately complete or update the information on the Notice of Intention, or the attached maps, shall not affect the validity of this Contract and the rights of the Division to enforce its terms.
15. If requested by the Division, the Operator shall execute addendums to this Contract to add or substitute parties, or to reflect changes in the Operator, Surety, and otherwise modify the Contract to reflect changes in the mining operations as requested by the Division. All modifications must be in writing and signed by the parties, and no verbal agreements, or modifications in any of the terms or conditions shall be enforceable.
16. This Contract shall be governed and construed in accordance with the laws of the State of Utah.

The signatory below represents that the Operator, if not a natural person, is a properly organized entity in good standing under the laws of Utah and the United States, is registered as an entity authorized to do business in the State of Utah, and that he/she is authorized to execute this Contract on behalf of the entity as Operator.

OPERATOR:

Interpace Holdings, LLC
Operator Name

By Frank Andrews III
Authorized Officer (Typed or Printed)

Plant Manager
Authorized Officer - Position

Z a e 9/14/10
Officer's Signature Date

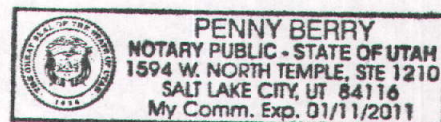
STATE OF Utah)

COUNTY OF Salt Lake) ss:

On the 14 day of Sept., 20 10, Frank Andrews III personally appeared before me, who being by me duly sworn did say that he/she is an Manager (owner, officer, director, partner, agent or other (specify)) of the Operator Interpace Holdings LLC and duly acknowledged that said instrument was signed on behalf of said Operator by authority of its bylaws, a resolution of its board of directors or as may otherwise be required to execute the same with full authority and to be bound hereby.

Penny Berry
Notary Public
Residing at Salt Lake

1/11/2011
My Commission Expires:



DIVISION OF OIL, GAS AND MINING:

By John R. Baza
John R. Baza, Director

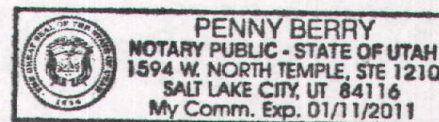
Date 9/21/2010

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 21 day of September, 2010, John R. Baza
personally appeared before me, who being duly sworn did say that he, the said
John R. Baza is the Director of the Division of Oil, Gas and Mining,
Department of Natural Resources, State of Utah, and he duly acknowledged to me that
he executed the foregoing document by authority of law on behalf of the State of Utah.

Penny Berry
Notary Public
Residing at: Salt Lake

1/11/2011
My Commission Expires:



FACT SHEET

Commodity: Clay

Mine Name: Vernon Shale

County: Tooele

Disturbed Acres: 5 (five)

Operator Name: Interpace Industries, Inc.

Operator address: 736 W HARRISVILLE RD PO BOX 12118 OGDEN, UT 84412

Operator telephone: (801) 782-7933

Operator fax: (801) 782-5047

Operator email: ahan@interpacebrick.com

Contact: Jon Rhine

Surety Type: Bond

Held by (Bank/BLM): Southwest Marine & General Ins. Co.

Surety Amount: ~~\$20,700~~ 25,100⁰⁰ ~~00~~

UTU and/or ML number: _____

Escalation Year: ~~2010~~ 2015

Tax ID or Social Security (for cash only): _____



May 13, 2011

State of Utah Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple
Suite 1210
Salt Lake City, UT 84114-5801

Attn: Penny

RE: BOND NO:
INTERPACE HOLDINGS, LLC
UTAH MINED LAND RECLAMATION
PERMIT #S0450070 – VERNON SHALE

Dear Penny:

We keep playing phone tag so I decided to go ahead and send this cancellation notice on the above. However, we would prefer to have the release. If we receive the release we can close our file as a flat cancellation making the process a whole lot easier.

I appreciate your help on this. Should you have any questions please feel free to call or email.

Best regards,

A handwritten signature in blue ink that reads 'Bonnie J. Wortham'.

Bonnie J. Wortham
Underwriting Assistant
502-238-1204
Bwortham@smithmanus.com

RECEIVED

MAY 17 2011

DIV. OF OIL, GAS & MINING



**Southwest Marine
and General Insurance Company**

2307 River Road, Suite 200, Louisville, KY 40206

NOTICE OF CANCELLATION

Dated: May 11, 2011

To: State of Utah Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114-5801

The undersigned Surety upon a certain Bond in your favor as follows:

Principal: Interpace Holdings, LLC
736 W. Harrisville Road
Ogden, UT 84404

Bond No.: SB100187

Type of Bond: Uth Mined Land Reclamation
Permit #S0450070 - Vernon Shale

Amount of Coverage: \$ 25,100.00

Effective Date:

hereby notifies you that it desires to cancel and does cancel said bond as an entirety.

Now, Therefore, be it known that the Southwest Marine and General Insurance Company, shall, at the expiration of 90 days after receipt of this notice, consider itself released from all liability by reason of any default committed thereafter by the said Principal.

This notice is given to you in accordance with the cancellation provision in said bond contained.

Southwest Marine and General Insurance Company

By: Deborah S. Neichter

Deborah S. Neichter,

Attorney-in-Fact

Agent: Smith Manus
2307 River Road, Suite 200
Louisville, KY 40206
502-636-9191

RECEIVED

MAY 17 2011

DIV. OF OIL, GAS & MINING

SOUTHWEST MARINE AND GENERAL INSURANCE COMPANY

919 Third Avenue
10th Floor
New York, New York 10022

GENERAL POWER OF ATTORNEY

Know all men by these presents, that the SOUTHWEST MARINE AND GENERAL INSURANCE COMPANY has made, constituted and appointed, and by these presents does make, constitute and appoint Brook T. Smith, James T. Smith, Deborah S. Neichter and Sandra F. Harper, all of Louisville, Kentucky, EACH as its true and lawful attorney for it and its name, place and stead to execute on behalf of the said company, as surety, bonds, undertakings and contracts of suretyship to be given to all obligees provided that no bond or undertaking or contract of suretyship executed under this authority shall exceed in amount of the sum of \$2,000,000 (Two Million Dollars).

This Power of Attorney is granted and is signed and sealed by facsimile under and by the authority of the following Resolution adopted pursuant to due authorization of the Board of Directors of SOUTHWEST MARINE AND GENERAL INSURANCE COMPANY on the 19th day of December, 2006:

RESOLVED, that the Chairman and Chief Executive Officer or any Vice President of the Company be, and that each or any of them hereby is, authorized to execute Powers of Attorney qualifying the attorney named in the given Power of Attorney to execute on behalf of SOUTHWEST MARINE AND GENERAL INSURANCE COMPANY bonds, undertakings and all contracts of suretyship; and, that any Secretary or any Assistant Secretary be, and that each or any of them hereby is, authorized to attest the execution of any such Power of Attorney, and to attach thereto the seal of the Company.

FURTHER RESOLVED, that the signature of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company when so affixed and in the future, with respect to any bond undertaking or contract of suretyship to which it is attached.

In Witness Whereof, SOUTHWEST MARINE AND GENERAL INSURANCE COMPANY has caused its official seal to be hereto affixed, and these presents to be signed by its Vice President and attested by its Secretary this 5th day of December, 2008.

Attest:

SOUTHWEST MARINE AND GENERAL INSURANCE COMPANY

By:

Thomas J. Iacopelli, Vice President

By:

Paul J. Hart, Secretary

STATE OF NEW YORK

SS:

COUNTY OF NEW YORK

On this 5th day of December, 2008, before me personally came Thomas J. Iacopelli, to me known, who being by me duly sworn, did depose and say that he resides in the Westchester County, State of New York, at 75 Taxter Road, Irvington, New York 10533, that he is the Vice President of SOUTHWEST MARINE AND GENERAL INSURANCE COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed and that he signed his name thereto pursuant to due authorization.

STATE OF NEW YORK

SS:

COUNTY OF NEW YORK

JEAN M. GUARNERI

Notary Public, State of New York

No. 01GU6066639

Qualified in Richmond County

Commission Expires November 19, 2019

Notary Public, State of New York

Qualified in Richmond County

Commission Expires 2009

I, the undersigned, the Secretary of SOUTHWEST MARINE AND GENERAL INSURANCE COMPANY, an Arizona Corporation, DO HEREBY CERTIFY that the foregoing and attached Power of Attorney remains in full force and has not been revoked; and, furthermore, that the Resolution of the Executive Committee of the Board of Directors set forth in the Power of Attorney is now in force.

Signed and sealed at the City of New York, Dated the 11th day of May, 2011.

Paul J. Hart, Secretary

RECEIVED

MAY 17 2011

DIV. OF OIL, GAS & MINING



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

May 3, 2011

Southwest Marine and General Insurance Company
919 3rd Avenue, 10th Floor
New York City, New York 10022

Subject: Authorization for Full Release of Reclamation Surety Bond, Interpace Holdings LLC,
Vernon Shale, S/045/0070, Tooele County, Utah

Dear Sir or Madame:

Southwest Marine and General Insurance Company is presently holding surety bond number _____ for the benefit of the State of Utah, Division of Oil, Gas and Mining, and the U. S. Department of the Interior, Bureau of Land Management, as a form of reclamation surety for Interpace Holdings LLC, Vernon Shale project. At the company's request and after site inspections to verify that the mine site has not been disturbed, this letter authorizes the full release of the surety bond.

If you have any questions or concerns, please contact Dana Dean at 801-538-5320, or Paul Baker at 801-538-5261. Thank you for your help in this matter.

Sincerely,

John R. Baza
Director

JRB:lah:pb CRR 7009 3410 0001 4203 1706

cc: Frank Andrews – Interpace Holdings LLC

BLM – Larry Garahana@BLM.gov, Stephen Allen@BLM.gov

Tooele County - Kbeutler@co.tooele.ut.us wshubert@co.tooele.ut.us

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May 24, 2006

Bond Number _____
Surety NAIC No. _____
Permit Number S 0450070
Mine Name Vernon Shale

ATTACHMENT A
To
RECLAMATION CONTRACT
BETWEEN PRINCIPAL AND DIVISION

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas and Mining
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940

THE UTAH MINED LAND RECLAMATION ACT

SURETY BOND

The undersigned Interpace Holdings, LLC, as Principal,
a Limited Liability Company organized under the laws of the State of Utah and
Southwest Marine and General Insurance Company, as Surety, a Corporation
organized under the laws of the State of Arizona, hereby jointly and severally bind ourselves,
our heirs, administrators, executors, successors, and assigns, jointly and severally, unto the State of
Utah, Division of Oil, Gas and Mining ("Division") and Bureau of Land Management
(other agency, if any) in the penal sum of Twenty-Five Thousand One Hundred and No/10-----
dollars (\$ 25,100.00).

This Surety Bond is provided to secure the obligations of the Principal, as set forth by the terms
and conditions of the Reclamation Contract, and any addendums thereto, to reclaim lands that will be
affected by mining operations as identified in the Notice of Intention received, or approved if
applicable, by the Division on the 20th day of July, 20 10.

The lands that are covered by this Surety Bond are the Lands Affected by mining
operations as defined and described in the above Notice, and the Mining and
Reclamation Plan if required, subject to terms and conditions of the Reclamation
Contract.

The condition of this obligation is that if the Division determines that Principal has
satisfactorily reclaimed the disturbed lands in accordance with the Mining and Reclamation Plan or
Notice and has faithfully performed all requirements of the Mined Land Reclamation Act, and

complied with the Rules and Regulations adopted in accordance therewith, then this obligation shall be void; otherwise it shall remain in full force and effect. Failure of the Principal to fulfill the obligations specified by the Mined Land Reclamation Act and the Rules adopted there under, and in accordance with the specification of the Principal's Mining and Reclamation Plan or Notice, may result in forfeiture of this bond in accordance with the applicable statutes and regulations.

If the Mining and Reclamation Plan or Notice provides for periodic partial reclamation of the lands affected, and if the lands are reclaimed in accordance with such Plan or Notice, Act and regulations, then Principal may apply for a reduction in the amount of this Surety Bond. In the converse, if the Mining and Reclamation Plan or Notice provides for a gradual increase in the lands affected or the extent of disturbance, then, the Division may require that the amount of this Surety Bond be increased, with the written approval of the Surety. The amount of reclamation surety may also be adjusted as a result of a periodic review by the Division, which shall take into account inflation/deflation based upon an acceptable Costs Index, or at the request of the operator.

This bond may be canceled by Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Written notice to the Division and Principal as required by this paragraph shall be provided by certified mail or by a courier service that provides proof of delivery by signature of the recipient. Surety's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

Surety is licensed to do business in Utah and is rated by A. M. Best as A- or better or rated as having Financial Performance Rating (FPR) of 8 or better, and is listed in the U. S. Department of Treasury's Circular "570." Upon incapacity of the Surety by reason of bankruptcy, insolvency, or suspension or revocation of its license, or upon failure to maintain the A. M. Best or FPR rating and listing on Circular "570", Principal shall be without adequate bond coverage as required by the Division and shall have 120 days after notice to replace the bond with other bonds acceptable to the Division. If the Principal does not replace this surety bond as required, the Division may order cessation of mining operations and commence actions to enforce its rights against the Surety. The Surety's liability shall continue and the Surety will remain fully liable for all reclamation obligations of the Principal incurred until this surety bond is forfeited, or the conditions of this obligation have been satisfied.

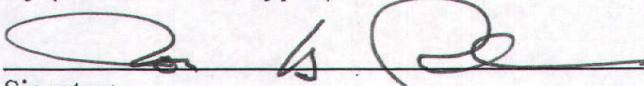
Page 3
MR-SUR
Attachment A
(revised May 24, 2006)

Bond Number _____
Surety NAIC No. _____
Permit Number S 045 0070
Mine Name Vernon Shale

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

Interpace Holdings, LLC
Principal (Permittee)

Jon B. Rhine President
By (Name and Title typed):


Signature

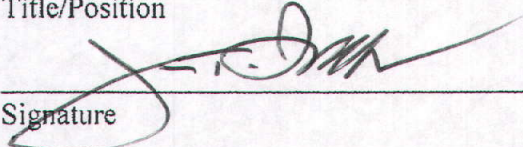
9/2/10
Date

Surety Company

Southwest Marine and General Insurance Company
Surety Company Name

James T. Smith
Surety Company Officer

Attorney-In-Fact
Title/Position


Signature

2307 River Road, Suite 200
Street Address

Louisville, KY 40206
City, State, Zip

502-636-9191
Phone Number

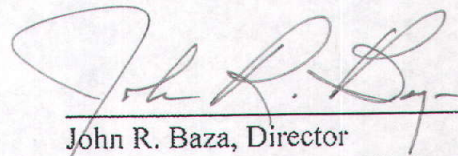
July 20, 2010
Date

Page 4
MR-SUR
Attachment A
(revised May 24, 2006)

Bond Number _____
Surety NAIC No. _____
Permit Number S 045 0070
Mine Name Venon Shale

SO AGREED this 21st day of September, 20 10.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:



John R. Baza, Director
Utah State Division of Oil, Gas and Mining

*NOTE: Where one signs by virtue of Power of Attorney for a Surety, such Power of Attorney must be filed with this bond. If the Operator is a corporation, the bond shall be executed by its duly authorized officer.

AFFIDAVIT OF QUALIFICATION

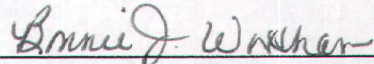
On the 20th day of July, 2010, James T. Smith
personally appeared before me, who being by me duly sworn did say that he/she, the said
_____ is the Attorney-In-Fact of
James T. Smith and duly acknowledged that said instrument was signed on behalf
of said company by authority of its bylaws or a resolution of its board of directors and said
_____ duly acknowledged to me that said company executed the same, and that
he/~~s~~ is duly authorized to execute and deliver the foregoing obligations; that said Surety is authorized
to execute the same and has complied in all respects with the laws of Utah in reference to becoming
sole surety upon bonds, undertaking and obligations.

Signed: 
Surety Officer James T. Smith

Title: Attorney-In-Fact

STATE OF Kentucky)
) ss:
COUNTY OF Jefferson)

Subscribed and sworn to before me this 20th day of July, 2010.


Notary Public Bonnie J. Wortham
Residing at: Louisville, Kentucky

My Commission Expires:

October 27, 2011.

SOUTHWEST MARINE AND GENERAL INSURANCE COMPANY

919 Third Avenue
10th Floor
New York, New York 10022

GENERAL POWER OF ATTORNEY

Know all men by these presents, that the SOUTHWEST MARINE AND GENERAL INSURANCE COMPANY has made, constituted and appointed, and by these presents does make, constitute and appoint Brook T. Smith, James T. Smith, Deborah S. Neichter and Sandra F. Harper, all of Louisville, Kentucky, EACH as its true and lawful attorney for it and its name, place and stead to execute on behalf of the said company, as surety, bonds, undertakings and contracts of suretyship to be given to all obligees provided that no bond or undertaking or contract of suretyship executed under this authority shall exceed in amount of the sum of \$2,000,000 (Two Million Dollars).

This Power of Attorney is granted and is signed and sealed by facsimile under and by the authority of the following Resolution adopted pursuant to due authorization of the Board of Directors of SOUTHWEST MARINE AND GENERAL INSURANCE COMPANY on the 19th day of December, 2006:

RESOLVED, that the Chairman and Chief Executive Officer or any Vice President of the Company be, and that each or any of them hereby is, authorized to execute Powers of Attorney qualifying the attorney named in the given Power of Attorney to execute on behalf of SOUTHWEST MARINE AND GENERAL INSURANCE COMPANY bonds, undertakings and all contracts of suretyship; and, that any Secretary or any Assistant Secretary be, and that each or any of them hereby is, authorized to attest the execution of any such Power of Attorney, and to attach thereto the seal of the Company.

FURTHER RESOLVED, that the signature of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company when so affixed and in the future, with respect to any bond undertaking or contract of suretyship to which it is attached.

In Witness Whereof, SOUTHWEST MARINE AND GENERAL INSURANCE COMPANY has caused its official seal to be hereto affixed, and these presents to be signed by its Vice President and attested by its Secretary this 5th day of December, 2008.

Attest:

SOUTHWEST MARINE AND GENERAL INSURANCE COMPANY

By:

Thomas J. Iacopelli, Vice President

By:

Paul J. Hart, Secretary

STATE OF NEW YORK

SS:

COUNTY OF NEW YORK

On this 5th day of December, 2008, before me personally came Thomas J. Iacopelli to me known, who being by me duly sworn, did depose and say that he resides in the Westchester County, State of New York, at 75 Taxter Road, Irvington, New York 10533, that he is the Vice President of SOUTHWEST MARINE AND GENERAL INSURANCE COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed and that he signed his name thereto pursuant to due authorization.

STATE OF NEW YORK

SS:

COUNTY OF NEW YORK

JEAN M. GUARNERI
Notary Public, State of New York
No. 01GU6066639
Qualified in Richmond County
Commission Expires November 19, 2019

Notary Public, State of New York
Qualified in Richmond County
Commission Expires 2009

I, the undersigned, the Secretary of SOUTHWEST MARINE AND GENERAL INSURANCE COMPANY, an Arizona Corporation, DO HEREBY CERTIFY that the foregoing and attached Power of Attorney remains in full force and has not been revoked; and, furthermore, that the Resolution of the Executive Committee of the Board of Directors set forth in the Power of Attorney is now in force.

Signed and sealed at the City of New York, Dated the 20th day of July, 2010.

Paul J. Hart, Secretary



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Salt Lake Field Office
2370 South 2300 West
Salt Lake City, Utah 84119
ph: (801) 977-4300; Fax: (801) 977-4397
www.ut.blm.gov/saltlake_fo



IN REPLY REFER TO:
3600 (UTW011)
U-77848

MAY 03 2011

RECEIVED

MAY 04 2011

DIV. OF OIL, GAS & MINING

Mr. Todd Seiverling
Interpace Industries
PO Box 12118
Ogden, Utah 84412

Dear Mr. Seiverling:

On April 7, 2011, The Bureau of Land Management (BLM) Salt Lake Field Office received a copy of your *Application for Site and/or Bond Release* from the Utah Division of Oil, Gas and Mining (UDOGM) for your Vernon Shale Small Mine Permit (S/045/0070). This project was processed by the BLM as the Vernon Hills Shale Mineral Material Sale (U-77848). Your recent paperwork states that you decided not to mine the site and wished to withdraw your permit and have UDOGM release your \$25,100.00 bond. On April 15, 2011, BLM personnel conducted a surface compliance inspection at the site and found no evidence of recent mining or surface disturbance.

This letter is to inform you that with concurrence from the UDOGM, the BLM agrees to the cancellation of your small mine permit/mineral material sale and the release of the \$25,100.00 held for reclamation of your proposed project that was never conducted.

If you have any questions, or require additional information, please contact Stephen Allen of my staff at (801) 977-4360.

Sincerely,

Michael G. Nelson
Assistant Field Manager,
Nonrenewable Resources

cc: Leslie Heppler, UDOGM, 1594 West No. Temple, Ste. 1210#, Box 145801, SLC, UT
84114-5801

Penny Berry - RE: S0450070 Vernon Shale

From: Frank Andrews <fandrews@interpacebrick.com>
To: Leslie Heppler <lheppler@utah.gov>
Date: 8/27/2010 7:25 AM
Subject: RE: S0450070 Vernon Shale
CC: Penny Berry <pennyberry@utah.gov>

We should have that bond to you next week.

From: Leslie Heppler [mailto:lheppler@utah.gov]
Sent: Thursday, August 26, 2010 11:20 AM
To: Frank Andrews
Subject: Fwd: S0450070 Vernon Shale

Frank - This needs to be addressed immediately. Please give me a call 801-538-5257 thx-lah

Leslie Heppler
Utah Division of Oil, Gas & Mining
(801) 538-5257 (Mon thru Thur)
lheppler@utah.gov

>>> Penny Berry 8/26/2010 10:20 AM >>>
Hi Leslie,

The operator provided a bond and MRRC for this site, but the MRRC showed Interpace Industries Inc. instead of Interpace Holdings LLC. When I spoke with the operator he took the bond back and said he would get a new one, he was also to provide us with a new MRRC. I still have not received these documents. Have you heard anything from them? Thanks.

Penny Berry - Vernon Shale S0450070

From: Penny Berry
To: Frank Andrews
Date: 9/14/2010 8:54 AM
Subject: Vernon Shale S0450070

Hi Frank,

I received the surety bond for this site, however the reclamation contract you gave me was not signed by the operator. Please can you provide a signed reclamation contract. If you have any questions please call 801-538-5291 or email. Thank you.

Penny

Penny Berry - S0450070 Vernon Shale

From: Penny Berry
To: Leslie Heppler
Date: 8/26/2010 10:20 AM
Subject: S0450070 Vernon Shale

Hi Leslie,

The operator provided a bond and MRRC for this site, but the MRRC showed Interpace Industries Inc. instead of Interpace Holdings LLC. When I spoke with the operator he took the bond back and said he would get a new one, he was also to provide us with a new MRRC. I still have not received these documents. Have you heard anything from them? Thanks.

Penny Berry - Vernon Shale S0450070

From: Penny Berry
To: Frank Andrews
Date: 6/15/2010 11:06 AM
Subject: Vernon Shale S0450070
Attachments: reclamation contract SMO 12-11-08.DOC

Hi Frank,

I noticed in our file that we still have not received the reclamation contract for this site. For your convenience I have attached the reclamation contract. Please print, sign, notarize, complete the fact sheet (last page) and return the original. If you have any questions please call 801-538-5291 or email. Thank you.

Penny

Penny Berry - Re: Vernon Shale S0450070

From: Leslie Heppler
To: Penny Berry
Date: 3/16/2010 7:05 AM
Subject: Re: Vernon Shale S0450070 - 80450147

They have an exploration permit, they did the exploration then the reclamation, they need to close out the exploration and then move money to the smo.

Leslie Heppler
Utah Division of Oil, Gas & Mining
(801) 538-5257 (Mon thru Thur)
lheppler@utah.gov

>>> Penny Berry 3/15/2010 2:27 PM >>>

We rec'd the NOI back in 2007, the status is still proposed. The NOI is complete, however the surety needs to be provided. As far as I can see nothing has come in for the surety. The operator provided a MRRC for this site, however they listed as the operator Interpace Industries Inc. and it should be Interpace Holdings LLC. What is our next step on this?

Division of Oil Gas & Mining
Mining/Exploration Summary

6/11/07 no new comments

SMALL MINING OPERATION

Permt # S450070

Name: VERNON SHALE

Permit Status

Status: Approved:
Recieved: 03/20/2007 / /
Tent Appr: / /

Mine Status

Status: PRO
Date: 03/20/2007

Ownership

Surface: BLM
Mineral: BLM

Location

UTMX: 383,744
UTMY: 4,437,910

Methods

Minerals Mined/Explored: CLAY

Surf/Under: UNKNOWN

Methods Used:

Bonding

Approved Acres Acres Released Date Released
5 0 / /
Bond Type
Bond Amount: \$ 0 Date Bond Expires: / /

Permit Fees

Date Sent Date Received
/ / 03/20/2007
Fee Received Cash Receipt
\$ 150 72000000054
Deliquent Notice
/ /

Comments:

4/9/2007 - Sent letter to operator - DOGM finds NOI complete, prior to conducting mining DOGM must approve the reclamation surety.

4/4/2007 - Created small mine MRRC and emailed to operator (adawg@interpacebrick.com).

4/3/2007 - jon rhine called and wanted information regarding surety. His number is 282 1263. email address for mrcc is adawg@interpacebrick.com

told him the surety amt for 5 acres is the 2007 cost, 3yr escalation \$20.700.00

3/20/2007 - Rec'd new NOI-SMO along with check #009783 in the amount of \$150.00 along with maps. I pulled DOC everything checks out ok.

Last Action

Action:

Start Date: / /

End Date: / /

Last Inspection

Date / /

Inspector

Last Annual Report 0

Acreage: 0.0

Acr Reclaimed: 0.0

Production: , ,

Last Agency Action

Agency: BLM

Agency ID: UMC 372272

Date: / /

Operator INTERPACE INDUSTRIES, INC.

Oper Id:

419

TaxID

91-1264404

Contact: JON RHINE

Address: 736 W HARRISVILLE RD
PO BOX 12118
OGDEN UT 84412

Phone: (801) 782-7933

Fax (801) 782-5047

E-Mail ahan@interpacebrick.com

Jon Rhine - jonr@interpacebrick.com

Location

Qqqr Qqr Qtr Section Township Range Merid Quad Sheet